



Regional Transportation Authority

300 N. State Street, Chicago, Illinois 60610
312 836-4000

7-305A108

RECORDATION NO. 9059 Filed & Recorded

NOV 1 1977 - 2 10 PM

October 25, 1977

INTERSTATE COMMERCE COMMISSION

NOV 1 1977

50

Secretary
Interstate Commerce Commission
Washington, D. C. 20423

REGISTERED MAIL - Return Receipt Requested

Re: Lease of Equipment to Chicago, Rock Island
and Pacific Railroad Company

Dear Sir:

Enclosed herewith for filing are one original
and two certified copies, of:

- (a) Equipment Lease Agreement between William M. Gibbons, Trustee of the Property of the Chicago, Rock Island and Pacific Railroad Company and the Regional Transportation Authority, dated September 16, 1977;
- (b) Equipment Lease Supplement No. 1, dated September 29, 1977;
- (c) Equipment Lease Supplement No. 2, dated October 13, 1977;
- (d) Equipment Lease Supplement No. 3; dated October 17, 1977; and
- (e) Equipment Lease Supplement No. 4, dated October 21, 1977.

Also enclosed is a check for \$50.00 for the filing fee.

The parties to the lease are the Regional Transportation Authority of Illinois, 300 North State Street, Chicago, Illinois 60610, as lessor, and William M. Gibbons, as Trustee of the property of the Chicago, Rock Island and Pacific Railroad Company, 332 South Michigan Avenue, Chicago, Illinois 60604 as lessee.

Interstate Commerce Commission
October 25, 1977
Page Two

The equipment covered by the lease is eight railroad passenger locomotives, more particularly described as follows:

A.A.R. mechanical description: Passenger locomotive.
Manufacturer: EMD Electro-Motive Division,
General Motors Corporation
Description: F-40PH (B-32 A)
Manufacturer's numbers: 766062-1 through
766062

RTA numbers: 100 and 101
Quantity: Eight
Identifying marks: "Regional Transportation
Authority = Owner" and
"RTA 100" through
"RTA 107."

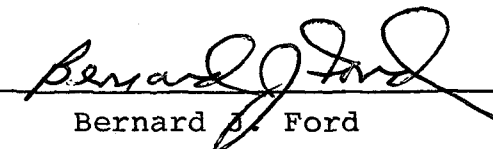
The original documents should be returned to:

William G. McMaster, Jr.
Hopkins, Sutter, Mulroy, Davis
& Cromartie
One First National Plaza
Chicago, Illinois 60603

(312) 786-6620

Please refer any questions concerning this matter directly to Mr. McMaster.

Regional Transportation Authority

By: 
Bernard J. Ford

BJF:bls

HOPKINS, SUTTER, MULROY, DAVIS & CROMARTIE

DENNIS B. BLACK
RICHARD BROMLEY
WILLIAM C. CHILDS
JOHN L. CONLON
MARK CRANE
WILLIAM A. CROMARTIE
CHARLES W. DAVIS
RALPH E. DAVIS
LAWRENCE M. DUBIN
MICHAEL F. DUHL
PETER B. FREEMAN
FREDERIC L. HAHN
PATRICK A. HEFFERNAN
FREDERIC W. HICKMAN

WILLIAM C. WEINSHEIMER

GLEN H. KANWIT
GEORGE KELM
HENRY DEVOS LAWRIE, JR.
RONALD F. LIPP
JEREMIAH MARSH
CORDELL J. OVERGAARD
ROBERT W. PATTERSON
MICHAEL E. PHENNER
MICHAEL SCHNEIDERMAN
THOMAS C. SHIELDS
JOHN L. SNYDER
WILLIAM P. SUTTER
C. IVES WALDO, JR.
JOHN C. WALKER

ONE FIRST NATIONAL PLAZA
CHICAGO 60603
(312) 786-6600

WASHINGTON, D.C. OFFICE
FRANCIS O. McDERMOTT

HARRY B. SUTTER
1919-1967

ALBERT L. HOPKINS
ANDERSON A. OWEN
OF COUNSEL

THOMAS R. MULROY
SENIOR COUNSEL

GARLAND H. ALLEN
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ROBERT J. BOBB
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JULIAN N. HENRIQUES, JR.
BURTON H. LITWIN
PETER F. LOVATO, III

JAY H. ZIMBLER

WILLIAM E. BARROWS
CHARLES E. SHEPHERD
CHRISTOPHER W. WILSON
COUNSEL

WILLIAM G. McMASTER, JR.
DAVID L. MORROW
ELLEN STANTON MULANEY
MARY HELEN ROBERTSON
JOHN L. ROGERS, III
DAVID J. SCOTT
STEWART R. SHEPHERD
CHRISTOPHER Q. STEPHAN
FRANK P. VANDERPLOEG
LYMAN W. WELCH
ROBERT J. WITTEBORT, JR.
MICHAEL H. WOOLEVER

WRITER'S DIRECT DIAL NUMBER

(312) 786-6620

October 27, 1977

3734-77-22

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Gentlemen:

The enclosed equipment lease is submitted for filing. Please call or write me directly with any questions concerning the enclosed.

Sincerely,



William G. McMaster, Jr.

WGM:skd

Encls.

cc: JM

MS

Interstate Commerce Commission
Washington, D.C. 20423

11/1/77

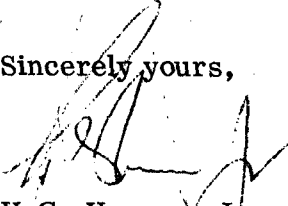
OFFICE OF THE SECRETARY

William G. McMaster, Jr.
Hopkins, Sutter, Mulroy, Davis & Cromartie
One First National Plaza
Chicago, Illinois 60603

Dear Sir:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on **11/1/77** at **2:10pm**,
and assigned recordation number(s) **9059**

Sincerely yours,


H.G. Homme, Jr.
Acting Secretary

Enclosure(s)

SE-30-T
(6/77)

NOV 1 1977 • 2 10 PM

EQUIPMENT LEASE AGREEMENT
 BETWEEN
 WILLIAM M. GIBBONS, TRUSTEE OF THE PROPERTY OF THE
 CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY
 AND
 THE REGIONAL TRANSPORTATION AUTHORITY

This Equipment Lease is entered into this 16th
 day of SEPTEMBER, 1977, by and between the REGIONAL
 TRANSPORTATION AUTHORITY ("Authority"), a municipal cor-
 poration duly organized and existing under the provisions
 of the Regional Transportation Authority Act of the State
 of Illinois and WILLIAM M. GIBBONS, TRUSTEE of the property
 of the Chicago, Rock Island and Pacific Railroad Company
 ("Railroad").

1. The Lease. On the terms and conditions set
 forth in this Equipment Lease and except as otherwise pro-
 vided in any Service Agreement, the Authority agrees to
 lease to Railroad for Railroad's exclusive possession and
 use, and Railroad agrees to lease from the Authority, for
 the Lease Term the railroad bi-level commuter cars and
 locomotives described in the Equipment Lease Supplements
 executed concurrently herewith and from time to time here-
 after.

2. Definitions. The following words shall have the following meanings when used in this Equipment Lease:

Act -- the Regional Transportation Authority Act (Ill. Rev. Stat. 1975 ch. 111 2/3 §701.01, et seq.) as heretofore or hereafter amended.

Commuter Service -- Railroad's usual business as a Transportation Agency providing Public Transportation Service by rail within the Metropolitan Region.

Delivery Date -- with respect to a Unit, the date on which such Unit is first delivered to Railroad.

Equipment -- all units of equipment described in Equipment Lease Supplements.

Equipment Lease -- this Equipment Lease Agreement.

Equipment Lease Supplement and Supplement -- each document substantially in the form of Appendix A, and executed in accordance with Section 1, by which Units are added to this Equipment Lease Agreement.

Event of Default -- the meaning thereof set forth in Section 16.

IDOT -- the Illinois Department of Transportation and any agency, division or administration thereof.

Metropolitan Region -- the meaning thereof set forth in the Act.

Lease Term -- the meaning thereof set forth in Section 14.

Public Transportation Services -- the meaning thereof set forth in the Act.

Revenue Service -- the use of a Unit by Railroad in Commuter Service or in any other manner which produces revenues to Railroad or which involves carriage of members of the public.

Service Agreement -- at any time, the Purchase of Service Agreement, between the Authority and Railroad, effective July 1, 1976, or any successor agreement then in effect under which the Authority purchases any Commuter Service from Railroad.

Transportation Agency -- the meaning thereof set forth in the Act.

UMTA -- the United States Department of Transportation and any agency, division or administration thereof.

Unit -- each locomotive included in the Equipment and each bi-level commuter car included in the Equipment.

3. Use. (a) Except as otherwise provided in this Equipment Lease or in a Service Agreement, Railroad hereby agrees that it will retain and use each Unit during the Lease Term only for Commuter Service.

(b) Railroad shall not remove any Unit of Equipment from the Metropolitan Region. Railroad shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. Railroad shall not permit any Equipment to be used in violation of any federal, state or municipal laws, ordinances, rules or regulations, or contrary to the provisions of any applicable insurance policy. Railroad shall indemnify and hold the Authority, UMTA and IDOT harmless from any and all fines, forfeitures, damages or penalties resulting from such violations by Railroad.

4. Delivery. The Authority will deliver each Unit to Railroad, and will advise Railroad from time to time of expected Delivery Dates. The Authority shall not be liable to Railroad for any failure or delay in delivery of any Unit to Railroad.

5. Acceptance. At the time of delivery of each Unit to Railroad, and before such Unit is used in Revenue Service, Railroad shall execute and deliver to the Authority an Equipment Lease Supplement with respect to such Unit. No Unit shall be placed in Revenue Service until an Equipment Lease Supplement has been executed and delivered. If a Unit is used in Revenue Service and an Equipment Lease Supplement has not been executed and delivered with respect to such Unit, Railroad shall be deemed to have executed and delivered an Equipment Lease Supplement with respect to such Unit and it shall be conclusively presumed as between the Authority and Railroad that such Unit has been inspected and unconditionally accepted by Railroad for lease hereunder as of the time was been placed in Revenue Service.

6. Rentals. Railroad agrees to pay to the Autho-

rity on each anniversary of the date of this Equipment Lease a rental of One Dollar (\$1.00) per year for the possession and use of the Equipment during the continuance of this Equipment Lease.

7. No Encumbrances. (a) Nothing shall affect the Authority's absolute ownership of and title to the Equipment. Such ownership and title are hereby expressly reserved to and retained by the Authority. Railroad agrees not to sublease any of the Equipment, nor to permit any of the Equipment to pass from under its control, nor to be taken off its property or the property of its subsidiaries other than for the purpose of repairs or except as hereinafter provided in the equipment transfer provision of Section 25 or as otherwise provided in this Equipment Lease.

(b) Railroad agrees that it will not, in any manner, suffer or permit any of the Equipment to be pledged, seized, or held for any tax, debt, lien, or obligation whatsoever, nor to be in any manner encumbered by or in consequence of any such tax, debt, lien, or obligation.

(c) Railroad will pay and discharge when due and payable all taxes, fees, assessments and other governmental charges or levies imposed with respect to any of the Equipment, provided that any such tax, fee, assessment, charge or levy need not be paid if, and so long as, the validity thereof shall currently be contested by appropriate proceedings. In case of Railroad's failure so to do, the Authority may pay such taxes, fees, assessments or other governmental charges or levies and the amount so paid by the Authority, with interest thereon at the rate of 10% per annum from the time of such payment by the Authority, shall forthwith be due and payable from Railroad to the Authority. This subsection 7(c) shall not apply with respect to taxes which may properly be treated as the subject of claims in bankruptcy, and to such other taxes the payment of which Railroad may be authorized to defer pursuant to a valid and subsisting order of the United States District Court for the Northern District of Illinois, Eastern Division, having jurisdiction of the proceedings to reorganize the Chicago, Rock Island and Pacific Railroad Company under Section 77 of the federal Bankruptcy Act in case 75 B 2697.

(d) This Equipment Lease is a net lease. Except as may be otherwise provided from time to time in a Service Agreement, and except as otherwise specifically provided in this Equipment Lease, all expenses and costs attributable to the use, maintenance, repairs, possession, or operation of the Equipment and all expenses of the Authority in enforcing this Equipment Lease with respect to an Event of Default, subsequent to such Event of Default, shall be paid by Railroad.

8. Termination for Cessation of Use. In the event Railroad shall for any reason whatsoever cease to operate its Commuter Service, or in the event its Commuter Service is sold or otherwise disposed of (other than by a transfer of substantially all of the assets of its Commuter Service to the Authority or a wholly-owned subsidiary of Railroad or by a merger, consolidation, exchange or sale of stock or sale of assets to a successor corporation approved by the Interstate Commerce Commission), each Unit shall be returned to the Authority and this Equipment Lease shall terminate. In the event any Unit (other than a Unit which is replaced pursuant to Section 13) ceases to be used for

any reason by Railroad in providing Commuter Service, each such Unit shall be returned to the Authority and this Equipment Lease shall terminate with respect to such Unit.

9. Maintenance. Commencing with the delivery of each Unit to Railroad, Railroad will, at its own cost and expense (except for parts or repairs the cost of which is reimbursed under manufacturer's warranties, if any), cause every Unit to be maintained and repaired at all times during the Lease Term in accordance with manufacturer's maintenance manuals, as supplemented or modified from time to time in writing by the Authority. Railroad shall also cause all of the Equipment to be maintained and repaired (i) as provided in a Service Agreement, or (ii) when no Service Agreement is in effect, in good order and repair and in a condition satisfying all requirements of law.

10. Return of Equipment. (a) Railroad will, at the end of the Lease Term or at the earlier expiration or other termination of this Equipment Lease with respect to any or all Units, deliver such Units to the Authority, or its nominee, in good order and repair, reasonable wear and

tear excepted, free and clear of all liens, charges and encumbrances of whatever nature.

(b) If any such Unit is not then in such good order and repair, Railroad shall pay to the Authority, on demand, such sum or sums of money as shall be necessary to make the necessary and proper repairs, together with interest thereon from the date of such demand at the rate of 10% per annum.

11. Inspection. (a) The Authority shall have the right and privilege, at any time, from time to time or on a continuing basis, during Railroad's normal operating hours, to cause any Unit or part thereof to be inspected by any persons designated in writing from time to time by the Authority to Railroad. The Authority shall have the right to station one or more of its representatives on the premises of Railroad for the purposes of observing and inspecting all maintenance performed by Railroad on the Equipment, and of assuring compliance with Railroad's maintenance obligations under this Equipment Lease, provided Railroad shall have no obligation to provide an office or separate working space for such representatives. The Authority shall have the further right to demand from time to time from Railroad, but with no

more frequency than once in any 6-month period (unless more frequently requested by UMTA or IDOT), a written statement of the condition of each Unit. Upon receipt of any such demand, Railroad shall furnish such written statement of condition to the Authority within a reasonable time not to exceed thirty (30) days. Railroad will provide reasonable access to Railroad's maintenance and repair records, upon request, with respect to the Equipment.

(b) Except as otherwise provided in any Service Agreement, the Authority will indemnify and hold harmless Railroad from and against all claims or liabilities, including costs and legal fees, for injury (including death) to the person of any employee or agent of the Authority which occurs while such person is, under the authority of Section 11(a), on property owned by Railroad, other than within a commuter coach being operated by Railroad in revenue service, the office of the manager of Commuter Service, parking lots, or a place (including walkways, stairways, waiting rooms, concourses and platforms) being used at the time for boarding or alighting of revenue passengers, irrespective of any negligence or fault of Railroad, its officers, directors, employees, agents or servants, provided, however, that this

Section 11(b) shall not apply to injury or death caused by willful or wanton negligence or by criminal acts of Railroad or its directors, officers, employees, agents or servants.

12. Indemnification. Except as otherwise provided in a Service Agreement and except to the extent the Authority, UMTA and IDOT are reimbursed by insurance or third parties, the Railroad will release fully and hold and keep the Authority, UMTA and IDOT, their respective Directors, agents and employees harmless and will indemnify them from any and all liability, including costs and legal fees, if any, and further including claims for damages on account of loss or damage of the property of, or loss, injury or death of or to the person of, members of the public, the agents, servants, employees, licensees, tenants, lessees and patrons of Railroad, in any manner attributable to or arising out of the ownership, operation or maintenance of the Equipment, regardless of whether caused in whole or in part by the negligence of the Authority, UMTA or IDOT, provided, however, that this provision shall not apply to liabilities proximately caused by acts of the Authority, UMTA or IDOT which constitute willfull and wanton negligence or criminal

acts, and provided further, however, that this provision shall not apply with respect to liabilities caused by the Authority's use of property not owned or leased by Railroad and not in Railroad's possession or control.

13. Damage or Destruction. (a) Railroad shall purchase insurance insuring, at all times during the Lease Term, the actual cash value of each Unit against damage or destruction, with a deductible amount of \$50,000. As used in this Section, "actual cash value" means the cost of reproduction new of a unit of equipment of like kind and quality, less normal wear and tear. Railroad shall cause the Authority to be a named insured and such insurance shall provide that the proceeds thereof shall be payable to the Authority and Railroad as their interests may appear.

(b) On the earlier of Railroad's receipt of insurance proceeds or 180 days after the date of damage to, or destruction of a Unit, Railroad will at its option either (i) pay to the Authority the actual cash value of such Unit, or (ii) repair such Unit.

(c) In the event a Unit is damaged or destroyed and one or more third parties are liable to Railroad there-

for, Railroad shall diligently prosecute an action against such third party or parties and the Authority shall cooperate in prosecuting such action.

14. Lease Term. The term of this Equipment Lease with respect to each Unit ("Lease Term") shall commence on the Delivery Date of such Unit and shall end 20 years thereafter.

15. Disposition At End of Term. Upon termination or expiration of this Equipment Lease as to any Unit, Railroad agrees to retain such Unit in its possession until it receives written instructions from the Authority as to the disposition of such Unit. Upon receipt of such written instructions, Railroad will promptly dispose of such Unit in accordance therewith. The Authority will provide written disposition instructions within 120 days after the expiration or termination of this Equipment Lease as to such Unit.

16. Default. (a) If, during the continuance of this Equipment Lease, one or more of the following events ("Events of Default") shall occur:

(i) Default shall be made in the payment of any payment to be made by Railroad hereunder and such default shall continue for 30 days after written notice from the Authority to Railroad of such default and demand that the same be remedied;

(ii) Railroad shall make or permit any unauthorized assignment or transfer of this Equipment Lease or of possession of any of the Equipment and shall fail or refuse to cause such assignment or transfer to be cancelled by agreement of all parties having any interest therein and to recover possession of such Equipment within 30 days after written notice from the Authority to Railroad demanding such cancellation and recovery of possession;

(iii) Default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of Railroad contained herein and such default shall continue for 30 days after written notice from the Authority to

Railroad, specifying the default and demanding the same to be remedied;

then in any such case the Authority, at its option may exercise any or all of the following rights:

(i) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Railroad of this Equipment Lease or to recover damages for breach thereof; or

(ii) By notice in writing to Railroad, terminate this Equipment Lease, whereupon all right of Railroad to the use of the Equipment shall absolutely cease and terminate as though this Equipment Lease had never been made, but Railroad shall remain liable as hereinafter provided; and thereupon, the Authority may by its agents enter upon the premises of Railroad or other premises where any of the Equipment may be located and take possession of all or any of such Equipment and thenceforth hold, possess and enjoy the same free from any right of Railroad, or its successors or assigns,

to use the Equipment for any purpose whatever, but the Authority shall, nevertheless, have a right to recover from Railroad any and all amounts which under the terms of this Equipment Lease may be then due or which may have accrued to the date of such termination; or

(iii) Pay any expenses or charges which Railroad is obligated to pay pursuant to this Equipment Lease which Railroad has failed timely to pay, which amounts shall thereupon be immediately due and payable by Railroad to the Authority.

(b) Railroad and the Authority recognize that in the event Railroad refuses to perform any of its obligations provided in Sections 3, 9, 10(a) or 23, money damages alone will not be adequate. The Authority shall therefore be entitled to elect, in addition to bringing suit for money damages, to bring an action for specific performance of the provisions of those Sections. In the event of any action to enforce the provisions of those Sections, Railroad shall waive the defense that there is an adequate remedy at law.

(c) The remedies in this Equipment Lease provided in favor of the Authority shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. Railroad hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law.

(d) The failure or delay of the Authority to exercise the rights granted it hereunder upon any occurrence of any of the events set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such events or similar events.

17. Ownership Marking. Each Unit when delivered will be plainly marked, by an appropriate plaque or plate and in letters of contrasting color not less than one inch in height, the words "REGIONAL TRANSPORTATION AUTHORITY, OWNER AND LESSOR" or other words to such effect. Railroad will not allow the name or designation of any other person or company as owner to be placed on any Unit. If any of

such markings become illegible, Railroad will immediately restore them. The Authority shall have the right at any time and at its expense to change the paint scheme and insignia of the Equipment.

18. Alterations. Upon instructions from the Authority and at the Authority's expense, Railroad will make such alterations to the Equipment as the Authority may deem necessary or desirable. Any alternations so made or parts or equipment installed upon or in the Equipment pursuant to other provisions of this Equipment Lease shall be considered accessions to the Equipment and title thereto shall immediately vest in the Authority. Railroad shall make no alterations to the Equipment except as permitted by this Section, by other Sections of this Equipment Lease, or by written consent of the Authority.

19. Reports. Railroad shall promptly advise the Authority of all correspondence, papers, notices, accident reports and documents whatsoever, received by Railroad in connection with any claim or demand involving or relating to title to, or liens upon, the Equipment or to injury or

property damage involving the Equipment during the term of this Equipment Lease.

20. Warranty Disclaimer. THE AUTHORITY, NOT BEING THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT, MAKES NO EXPRESSED OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT. THE AUTHORITY DISCLAIMS ALL WARRANTIES, INCLUDING BUT NOT LIMITED TO: THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE DESIGN OR CONDITION OF THE EQUIPMENT, THE QUALITY OR CAPACITY OF THE EQUIPMENT, THE WORKMANSHIP IN THE EQUIPMENT, COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO, PATENT INFRINGEMENT, LATENT DEFECTS; AND TITLE. The Authority and Railroad shall cooperate for the purpose of obtaining the full benefit of any manufacturers' warranties with respect to the Equipment.

21. Successors. All of the provisions of this Equipment Lease shall apply to and bind the successors of the respective parties hereto. In the event there is a transfer of substantially all of Railroad's property used

and useful in the performance of Railroad's Commuter Service to a wholly-owned subsidiary of Railroad, or said property, including this Equipment Lease, is the subject of a merger, consolidation, exchange or sale of stock or sale of assets to a successor corporation approved by the Interstate Commerce Commission ("ICC") or to any successor trustee or entity arising out of reorganization proceedings, the rights and obligations of Railroad herein set forth shall become the rights and obligations of the successor. In the event of the commencement of any ICC proceedings with respect to any such merger, consolidation, exchange or sale of stock or sale of assets, Railroad will provide prior written notice of such ICC proceedings to the Authority and will furnish the Authority with copies of all applications and other filings made in such proceedings at the time of the filing thereof or as soon as practicable thereafter.

22. Opinion of Counsel. When this Equipment Lease is executed by Railroad, Railroad will furnish the Authority with an opinion of Railroad's counsel, dated the date on which this Equipment Lease is executed by Railroad and to the effect that (i) William M. Gibbons is the duly appointed

Trustee of the property of the Chicago, Rock Island and Pacific Railroad Company, and as such trustee, has full power to carry on its business as and where then conducted; (ii) the execution, delivery and performance of this Equipment Lease by Railroad has been duly authorized by all requisite action of Railroad and all requisite action of the courts and administrative agencies in the proceedings for the reorganization of the Chicago, Rock Island and Pacific Railroad Company under Section 77 of the Bankruptcy Act, and this Equipment Lease is the valid, legally binding obligation of Railroad, enforceable in accordance with its terms; (iii) this Equipment Lease has been duly executed and delivered by Railroad in accordance with its terms; (iv) the compliance by Railroad with the terms and conditions of this Equipment Lease will not result in breach of, or default under, any judgment, decree, mortgage, indenture or other agreement applicable to Railroad known to such counsel; (v) all approvals as may be required to permit the performance by Railroad of its obligations under this Equipment Lease have been obtained; and (vi) except as previously disclosed to the Authority in writing, such counsel has no

knowledge of any litigation or proceeding pending or threatened against Railroad which could materially and adversely affect the performance by it of any of its obligations under this Equipment Lease.

23. Further Assurances. Railroad hereby covenants that it will at all times during the term of this Equipment Lease, on reasonable request, make, do, execute and deliver all such further or other reasonable assurances, acts, instruments and agreements as shall be necessary or deemed appropriate by the Authority to protect the ownership and control of the Equipment or any Unit or part thereof, for the benefit of the Authority.

24. Disclaimer of Liability. Neither the Chairman of the Board of Directors of the Authority nor any of the individual Directors or employees or agents thereof shall be personally liable to the Railroad in any way by reason of any clause of this Equipment Lease.

25. Equipment Transfer. The Authority reserves the right to terminate this Equipment Lease as to any Unit ("Transfer Unit") or Units which the Authority judges to be

essential to Commuter Service operations of another Transportation Agency, provided, however, that the Authority shall not terminate this Equipment Lease pursuant to this Section if the Transfer Unit or Units is or are essential (having regard to the Equipment and any other equipment which Railroad owns or has the right to use) to the operation of the Commuter Service of Railroad (i) in accordance with any Service Agreement then in effect, or (ii) if no Service Agreement is in effect, in accordance with law.

26. Representations to Illinois Commerce Commission. Nothing in this Equipment Lease is intended to prohibit or discourage either Railroad or the Authority from appearing before the Illinois Commerce Commission or any other government agency for the purpose of presenting their respective views regarding the requirements of public convenience and necessity as related to the use of the Equipment or as related to any other aspect of Railroad's Commuter Service.

27. UMTA/IDOT Audit. Railroad shall permit the authorized representatives of the Authority, UMTA, IDOT

and/or the Comptroller General of the United States to inspect and audit all data and records of Railroad relating to the performance of this Equipment Lease at no cost to the Authority.

28. Civil Rights. Railroad agrees that it will, with respect to its operations involving the Equipment, comply with the provisions of Title VI of the United States Civil Rights Act of 1964 (P.L. 88-352, 78 Stat. 252, 42 U.S.C. §§2000d-4 et seq.), as the same may at any time be amended, and with the provisions of the Illinois Fair Employment Practices Act (Ill. Rev. Stat. 1976, ch. 48, §§851-867), as the same may at any time be amended, and with the provisions of any other similar law at any time in effect during the term of this Equipment Lease, and with regulations from time to time promulgated thereunder. Railroad warrants that it has on file with the Fair Employment Practices Commission an affirmative action program for employment with respect to its commuter service employees, which program insures that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, national origin, or

ancestry. No discrimination in any employment by Railroad shall be made in any term or aspect of employment because of race, religion, national origin, sex or political reasons or factors.

29. Prohibited Interests. Railroad warrants and represents that it has not paid, and agrees not to pay, any bonus, commission, fee or gratuity to any employee or official of the Authority for the purpose of obtaining this Equipment Lease. No Director, official, officer or employee of the Authority, during his tenure or for one year thereafter, shall have any pecuniary interest, direct or indirect, in this Equipment Lease or the proceeds thereof. No member of or delegate to the Congress of the United States or the Illinois General Assembly shall be admitted to any share or part of this contract or to any benefit arising therefrom.

30. Governing Law. This Equipment Lease shall be construed in accordance with and be governed by the laws of the State of Illinois.

31. Notices. Any notice required or permitted by this Equipment Lease shall be in writing and may be either

delivered in person or delivered by depositing the same in the United States Mail, postage prepaid, addressed to the Authority at:

REGIONAL TRANSPORTATION AUTHORITY
Post Office Box 3858
Chicago, Illinois 60654

and to Railroad at:

CHICAGO, ROCK ISLAND AND PACIFIC
RAILROAD COMPANY
332 South Michigan Avenue
Chicago, Illinois 60604

or at such other address as either party may designate to the other in writing.

32. Assignment. Railroad agrees that this Equipment Lease shall not be assigned or transferred without the prior written consent of the Authority and that any successor to Railroad's rights under this Equipment Lease will be required to accede to all of the terms, conditions and requirements of this Equipment Lease as a condition precedent to such succession. Any purported assignment or transfer of this Equipment Lease or Railroad's rights under this Equip-

ment Lease in contravention of this Section shall be void and of no effect.

33. Amendments. The parties agree that no change of or modification to this Equipment Lease shall be of any force or effect unless such change or modification is embodied in an amendment which is dated and is reduced to a writing executed by both parties and approved by the Board of Directors of the Authority. No costs or obligations shall be incurred in consequence of any amendment to this Equipment Lease unless and until such a written amendment has been executed.

34. Severability. The parties agree that if any provision of this Equipment Lease shall be held invalid for any reason whatsoever, the remaining provisions shall not be affected thereby if such remaining provisions may continue to conform with the purposes of this Equipment Lease and the requirements of applicable law.

35. Headings. The headings of this Equipment Lease are for convenience and reference only and in no way define, limit or describe the scope or intent of this Equipment Lease.

36. Counterparts. This Equipment Lease may be simultaneously executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each party hereto has caused this Equipment Lease to be duly executed and delivered, in its name and on its behalf, on the date first hereinabove set forth.

REGIONAL TRANSPORTATION AUTHORITY

WITNESS:

By:

Milton Pikarsky

Title: _____

WILLIAM M. GIBBONS, TRUSTEE of the
Property of the Chicago, Rock Island
and Pacific Railroad Company

Wm. M. Gibbons

ATTEST:

APPENDIX A

EQUIPMENT LEASE SUPPLEMENT NO. 1

This Equipment Lease Supplement No. 1 is entered into as of September 29, 1977, by and between the REGIONAL TRANSPORTATION AUTHORITY ("Authority"), and WILLIAM M. GIBBONS, TRUSTEE of the Property of the Chicago, Rock Island and Pacific Railroad Company ("Railroad").

1. The purchase by the Authority of the Equipment described in this Equipment Lease Supplement has been funded in part by the Urban Mass Transportation Administration of the United States Department of Transportation ("UMTA") (Project IL-03-0049), and by the Illinois Department of Transportation ("IDOT") (Project CAP-75-050-FED).

2. The Authority and Railroad have entered into an Equipment Lease Agreement dated September 16, 1977 ("Equipment Lease Agreement"), which provides for the execution and delivery from time to time of Equipment Lease Supplements in the form hereof for the purpose of leasing railroad bi-level commuter cars and locomotives under the Equipment Lease Agreement as and when delivered by the Authority to Railroad in accordance with the terms thereof.

3. The Authority hereby delivers and leases to Railroad under the Equipment Lease Agreement, and Railroad hereby accepts and leases from the Authority under the Equipment Lease Agreement, on this date, the following described railroad bi-level commuter cars and locomotives (the "Delivered Units");

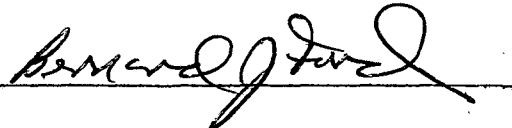
Manufacturer: EMD Electro-Motive, Div. of Gen. Motors Corp.
Description: F-40-PH (B-32 A)
Specifications: RTA 76-4
Manufacturer's numbers: 766062-1, 766062-2
RTA numbers: 100 and 101
Railroad numbers: None
Funded by UMTA Project IL-03-0049 and IDOT Project CAP-75-050-FED.

4. Railroad hereby confirms to the Authority that, as between Railroad and the Authority, Railroad has accepted the Delivered Units for all purposes of this Equipment Lease Supplement and of the Equipment Lease Agreement. Railroad hereby certifies and acknowledges that each Delivered Unit (a) has been delivered to, and inspected by, Railroad, (b) is of a size, design, capacity and manufacture acceptable to Railroad for lease under this Equipment Lease Supplement and the Equipment Lease Agreement, (c) is suitable for Railroad's purposes, and (d) is in good working order, repair and condition.

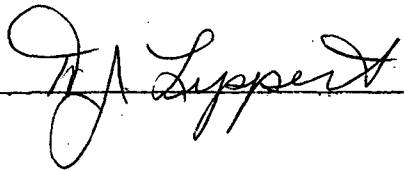
5. All of the terms and provisions of the Equipment Lease Agreement are hereby incorporated by reference in this Equipment Lease Supplement to the same extent as if fully set forth herein.

IN WITNESS WHEREOF, the Authority and Railroad have caused this Equipment Lease Supplement to be duly executed as of the date and year first written above.

REGIONAL TRANSPORTATION AUTHORITY

By: 

WILLIAM M. GIBBONS, TRUSTEE of the
Property of the Chicago, Rock Island
and Pacific Railroad Company



ACKNOWLEDGEMENT

State of Ill)
County of Cook) SS

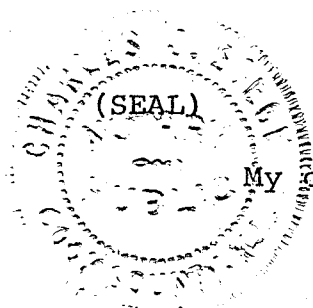
On this 29TH day of Sept, 1977,
before me personally appeared D. J. Lippert,
(Name)

to me personally known, who being by me duly sworn, says
that he is the Director Financial Research of the Chicago,
(Title)

Rock Island and Pacific Railroad Company, that the seal
affixed to the foregoing instrument is the corporate seal
of said corporation, that said instrument was signed and
sealed on behalf of said corporation by authority of
William M. Gibbons, as Trustee of the property of said
corporation, and he acknowledged that the execution of the
foregoing instrument was the free act and deed of said
corporation.

D. J. Lippert

(Title of Officer)



My commission expires March 7, 1978 Charles F. Siege

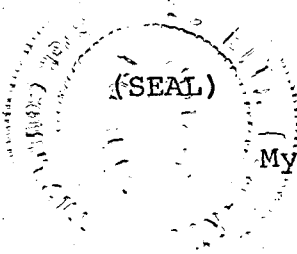
ACKNOWLEDGEMENT

State of Illinois)
)
County of Cook) SS
)

On this 30th day of September, 1977,
before me personally appeared Bernard J. Ford,
(Name)

to me personally known, who being by me duly sworn,
says that he is the Director of Transportation
(Title) ;

of the Regional Transportation Authority of the State of
Illinois, that such Authority has no seal, that the
foregoing Equipment Lease Supplement was signed on behalf
of said Authority by authority of its Board of Directors,
and he acknowledged that the execution of the foregoing
Equipment Lease Supplement was the free act and deed of
said Authority.



Melvin L. Martin

My commission expires June 30, 1981

APPENDIX A

EQUIPMENT LEASE SUPPLEMENT NO. 2

This Equipment Lease Supplement No. 2 is entered into as of October 12, 13, 1977, by and between the REGIONAL TRANSPORTATION AUTHORITY ("Authority"), and WILLIAM M. GIBBONS, TRUSTEE of the Property of the Chicago, Rock Island and Pacific Railroad Company ("Railroad").

1. The purchase by the Authority of the Equipment described in this Equipment Lease Supplement has been funded in part by the Urban Mass Transportation Administration of the United States Department of Transportation ("UMTA") (Project IL-03-0049), and by the Illinois Department of Transportation ("IDOT") (Project CAP-75-050-FED).

2. The Authority and Railroad have entered into an Equipment Lease Agreement dated September 16, 1977 ("Equipment Lease Agreement"), which provides for the execution and delivery from time to time of Equipment Lease Supplements in the form hereof for the purpose of leasing railroad bi-level commuter cars and locomotives under the Equipment Lease Agreement as and when delivered by the Authority to Railroad in accordance with the terms thereof.

3. The Authority hereby delivers and leases to Railroad under the Equipment Lease Agreement, and Railroad hereby accepts and leases from the Authority under the Equipment Lease Agreement, on this date, the following described railroad bi-level commuter cars and locomotives (the "Delivered Units");

Manufacturer: EMD Electro-Motive, Div. of Gen. Motors Corp.

Description: F-40-PH (B-32 A)

Specifications: RTA 76-4

Manufacturer's numbers: 766062-3, ~~766062-4~~, 766062-5, 766062-6

RTA numbers: 102, ~~103~~, 104, and 105

Railroad numbers: None

- Funded by UMTA Project IL-03-0049 and IDOT Project CAP-75-050-FED.

*DLX
deleted*

4. Railroad hereby confirms to the Authority that, as between Railroad and the Authority, Railroad has accepted the Delivered Units for all purposes of this Equipment Lease Supplement and of the Equipment Lease Agreement. Railroad hereby certifies and acknowledges that each Delivered Unit (a) has been delivered to, and inspected by, Railroad, (b) is of a size, design, capacity and manufacture acceptable to Railroad for lease under this Equipment Lease Supplement and the Equipment Lease Agreement, (c) is suitable for Railroad's purposes, and (d) is in good working order, repair and condition.

5. All of the terms and provisions of the Equipment Lease Agreement are hereby incorporated by reference in this Equipment Lease Supplement to the same extent as if fully set forth herein.

IN WITNESS WHEREOF, the Authority and Railroad have caused this Equipment Lease Supplement to be duly executed as of the date and year first written above.

REGIONAL TRANSPORTATION AUTHORITY

By: B. J. Ford Jr.

WILLIAM M. GIBBONS, TRUSTEE of the
Property of the Chicago, Rock Island
and Pacific Railroad Company

by Donald J. Lipsett

ACKNOWLEDGEMENT

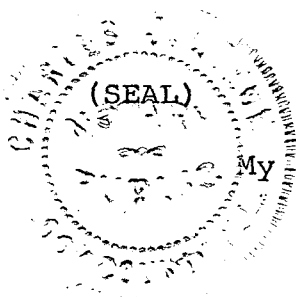
State of Ill)
County of Cook) SS

On this 17TH day of October, 1977,
before me personally appeared Donald J. Lippert
(Name)

to me personally known, who being by me duly sworn, says
that he is the Director Financial Research of the Chicago,
(Title)

Rock Island and Pacific Railroad Company, that the seal
affixed to the foregoing instrument is the corporate seal
of said corporation, that said instrument was signed and
sealed on behalf of said corporation by authority of
William M. Gibbons, as Trustee of the property of said
corporation, and he acknowledged that the execution of the
foregoing instrument was the free act and deed of said
corporation.

Charles J. Siege
(Title of Officer)



My commission expires March 7, 1978

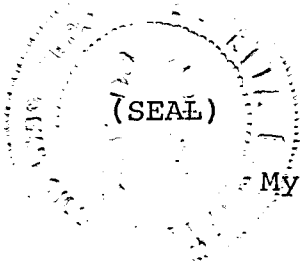
ACKNOWLEDGEMENT

State of Ill)
County of Cook) SS

On this 21st day of October, 1977,
before me personally appeared B. J. Ford,
(Name)

to me personally known, who being by me duly sworn,
says that he is the Director of Transportation
(Title) :

of the Regional Transportation Authority of the State of
Illinois, that such Authority has no seal, that the
foregoing Equipment Lease Supplement was signed on behalf
of said Authority by authority of its Board of Directors,
and he acknowledged that the execution of the foregoing
Equipment Lease Supplement was the free act and deed of
said Authority.



Melvin L. Martin

My commission expires

June 30, 1981

APPENDIX A

EQUIPMENT LEASE SUPPLEMENT NO. 3

This Equipment Lease Supplement No. 3 is entered into as of October 17, 1977, by and between the REGIONAL TRANSPORTATION AUTHORITY ("Authority"), and WILLIAM M. GIBBONS, TRUSTEE of the Property of the Chicago, Rock Island and Pacific Railroad Company ("Railroad").

1. The purchase by the Authority of the Equipment described in this Equipment Lease Supplement has been funded in part by the Urban Mass Transportation Administration of the United States Department of Transportation ("UMTA") (Project IL-03-0049), and by the Illinois Department of Transportation ("IDOT") (Project CAP-75-050-FED).

2. The Authority and Railroad have entered into an Equipment Lease Agreement dated September 16, 1977 ("Equipment Lease Agreement"), which provides for the execution and delivery from time to time of Equipment Lease Supplements in the form hereof for the purpose of leasing railroad bi-level commuter cars and locomotives under the Equipment Lease Agreement as and when delivered by the Authority to Railroad in accordance with the terms thereof.

3. The Authority hereby delivers and leases to Railroad under the Equipment Lease Agreement, and Railroad hereby accepts and leases from the Authority under the Equipment Lease Agreement, on this date, the following described railroad bi-level commuter cars and locomotives (the "Delivered Units"):

Manufacturer: EMD Electro-Motive, Div. of Gen. Motors Corp.
Description: F-40-PH (B-32 A)
Specifications: RTA 76-4
Manufacturer's numbers: 766062-4
RTA numbers: 103
Railroad numbers: None
Funded by UMTA Project IL-03-0049 and IDOT Project CAP-75-050-FED.

4. Railroad hereby confirms to the Authority that, as between Railroad and the Authority, Railroad has accepted the Delivered Units for all purposes of this Equipment Lease Supplement and of the Equipment Lease Agreement. Railroad hereby certifies and acknowledges that each Delivered Unit (a) has been delivered to, and inspected by, Railroad, (b) is of a size, design, capacity and manufacture acceptable to Railroad for lease under this Equipment Lease Supplement and the Equipment Lease Agreement, (c) is suitable for Railroad's purposes, and (d) is in good working order, repair and condition.

5. All of the terms and provisions of the Equipment Lease Agreement are hereby incorporated by reference in this Equipment Lease Supplement to the same extent as if fully set forth herein.

IN WITNESS WHEREOF, the Authority and Railroad have caused this Equipment Lease Supplement to be duly executed as of the date and year first written above.

REGIONAL TRANSPORTATION AUTHORITY

By: *P. J. Ford Jr*

WILLIAM M. GIBBONS, TRUSTEE of the
Property of the Chicago, Rock Island
and Pacific Railroad Company

by Donald J. Lippert

ACKNOWLEDGEMENT

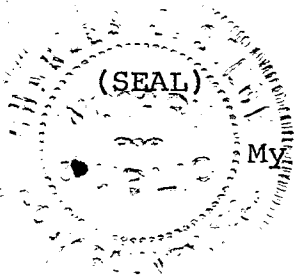
State of Ill)
County of Cook) SS

On this 14th day of October, 1977,
before me personally appeared Donald J. Lippert
(Name)
to me personally known, who being by me duly sworn, says
that he is the Director Financial Research of the Chicago,
(Title)

Rock Island and Pacific Railroad Company, that the seal
affixed to the foregoing instrument is the corporate seal
of said corporation, that said instrument was signed and
sealed on behalf of said corporation by authority of
William M. Gibbons, as Trustee of the property of said
corporation, and he acknowledged that the execution of the
foregoing instrument was the free act and deed of said
corporation.

Charles J. Siege
(Title of Officer)

My commission expires March 7, 1978



ACKNOWLEDGEMENT

State of Ill)
County of Cook) SS

On this 17th day of October, 1977,
before me personally appeared B. J. Ford,
(Name)

to me personally known, who being by me duly sworn,
says that he is the Director of Transportation
(Title) ;

of the Regional Transportation Authority of the State of
Illinois, that such Authority has no seal, that the
foregoing Equipment Lease Supplement was signed on behalf
of said Authority by authority of its Board of Directors,
and he acknowledged that the execution of the foregoing
Equipment Lease Supplement was the free act and deed of
said Authority.

(SEAL)

Samuel L. Martin

My commission expires

June 30, 1981

APPENDIX A

EQUIPMENT LEASE SUPPLEMENT NO. 4

This Equipment Lease Supplement No. 4 is entered into as of October 21, 1977, by and between the REGIONAL TRANSPORTATION AUTHORITY ("Authority"), and WILLIAM M. GIBBONS, TRUSTEE of the Property of the Chicago, Rock Island and Pacific Railroad Company ("Railroad").

1. The purchase by the Authority of the Equipment described in this Equipment Lease Supplement has been funded in part by the Urban Mass Transportation Administration of the United States Department of Transportation ("UMTA") (Project IL-03-0049), and by the Illinois Department of Transportation ("IDOT") (Project CAP-75-050-FED).

2. The Authority and Railroad have entered into an Equipment Lease Agreement dated September 16, 1977 ("Equipment Lease Agreement"), which provides for the execution and delivery from time to time of Equipment Lease Supplements in the form hereof for the purpose of leasing railroad bi-level commuter cars and locomotives under the Equipment Lease Agreement as and when delivered by the Authority to Railroad in accordance with the terms thereof.

3. The Authority hereby delivers and leases to Railroad under the Equipment Lease Agreement, and Railroad hereby accepts and leases from the Authority under the Equipment Lease Agreement, on this date, the following described railroad bi-level commuter cars and locomotives (the "Delivered Units"):

Manufacturer: EMD Electro-Motive, Div. of Gen. Motors Corp.
Description: F-40-PH (B-32 A)
Specifications: RTA 76-4
Manufacturer's numbers: 766062 -7, 766062-8
RTA numbers: 106, 107
Railroad numbers: None
Funded by UMTA Project IL-03-0049 and IDOT Project CAP-75-050-FED.

4. Railroad hereby confirms to the Authority that, as between Railroad and the Authority, Railroad has accepted the Delivered Units for all purposes of this Equipment Lease Supplement and of the Equipment Lease Agreement. Railroad hereby certifies and acknowledges that each Delivered Unit (a) has been delivered to, and inspected by, Railroad, (b) is of a size, design, capacity and manufacture acceptable to Railroad for lease under this Equipment Lease Supplement and the Equipment Lease Agreement, (c) is suitable for Railroad's purposes, and (d) is in good working order, repair and condition.

5. All of the terms and provisions of the Equipment Lease Agreement are hereby incorporated by reference in this Equipment Lease Supplement to the same extent as if fully set forth herein.

IN WITNESS WHEREOF, the Authority and Railroad have caused this Equipment Lease Supplement to be duly executed as of the date and year first written above.

REGIONAL TRANSPORTATION AUTHORITY

BY: B. J. Ford Jr.

WILLIAM M. GIBBONS, TRUSTEE of the
Property of the Chicago, Rock Island
and Pacific Railroad Company

by Donald J. Lippert

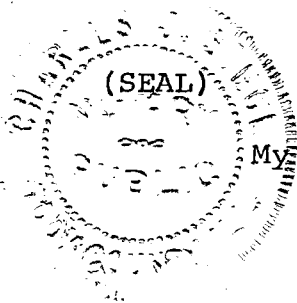
ACKNOWLEDGEMENT

State of Ill.)
County of Cook) SS

On this 21 day of October, 1977,
before me personally appeared Ronald J. Lippert
(Name)
to me personally known, who being by me duly sworn, says
that he is the Director Financial Research of the Chicago,
(Title)

Rock Island and Pacific Railroad Company, that the seal
affixed to the foregoing instrument is the corporate seal
of said corporation, that said instrument was signed and
sealed on behalf of said corporation by authority of
William M. Gibbons, as Trustee of the property of said
corporation, and he acknowledged that the execution of the
foregoing instrument was the free act and deed of said
corporation.

Charles J. Siege
(Title of Officer)



My commission expires March 7, 1978

ACKNOWLEDGEMENT

State of Ill)
County of Cook) SS

On this 14th day of October, 1977,
before me personally appeared B. J. Ford,
(Name)

to me personally known, who being by me duly sworn,
says that he is the Director of Transportation
(Title) ;

of the Regional Transportation Authority of the State of
Illinois, that such Authority has no seal, that the
foregoing Equipment Lease Supplement was signed on behalf
of said Authority by authority of its Board of Directors,
and he acknowledged that the execution of the foregoing
Equipment Lease Supplement was the free act and deed of
said Authority.

(SEAL)

My commission expires

Melvin L. Martin
June 30, 1981